(c) the details of the loss incurred, if any, by the merger?

THE MINISTER OF CIVIL AVIATION AND MINISTER OF INFORMATION AND BROADCASTING (SHRI C.M. IBRAHIM): (a) Indian Airlines is at present operating to 55 domestic stations. With the three Donier 228 aircraft, services to the following stations are being operated:—

(1) Calcutta (2) Aizwal (3) Guwahati (4) Lilabari (5) Dimapur

(b) Of the 1334 employees of Vayudoot, 311 were absorbed by Air India and the remaining 1023 were offered appointment by Indian Airlines out of which 4 employees have, not joined so far.

(c) Indian Airlines is likely to pay Vayudoot liabilities of about rupees 183 crores.

Guidelines for Nominee Directors on Corporate Boards by FIs

2592. SHRI GURUDAS DAS GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government owned Financial Institutions (FIs) have made some guidelines for its nominee directors on Corporate boards to safeguard the interests of Minority shareholders; deposit holders, promoters. creditors etc; and

(b) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Industrial Development Bank of India (IDBI) has reported that as per the extant institutional guidelines for the use of nominee directors, a nominee director is expected to take keen interest in the overall performance of the company concerned and policy adopted by its management without interference in the day-to-day working of the company. While he is expected to safeguard the interest of institution nominating him it is not the intention that he should act merely as a watch dog on behalf of the institution. His responsibility and obligation would be that of any other Director of the company and he is expected to work in the interest of the company, institutions and shareholders. No specific guidelines have, however, been issued for safeguarding the interests of minority shareholders, deposit holders, promoters, creditors etc.

Violation of Norms by Banks

2593. SHRI O.P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether the preliminary investigations by the police in the shoe scam have revealed that the banks are not following the laid down norms in the matter of grant of loans to various cobblers societies in Mumbai;

(b) if so, the facts thereof;

(c) the action taken against the guilty banks officials;

(d) whether similar disrespect to laid down norms were shown by the officials of the Vysya Bank Ltd. where cheque books were issued on xeroxed copies of requisition slips, on fake requisition slips and cheques were cleared/passed on forged signatures and in excess of the amount they were authorised to pass; and

(e) if so, what action has been taken against those officials, with details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) Reserve Bank of India (RBI) have reported that a communication has been received from Deputy Commissioner of Police, Mumbai stating that an offence under IPC has been registered against some leading shoe companies and various leather cooperative societies to investigate misutilisation of finance meant for weaker sections of society such as artisans/cobblers' cooperative societies.